HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
P.O. Box 2910, Austin, Texas 78768-2910
(512) 463-0752 • http://www.hro.house.state.tx.us

HOUSE RESEARCH ORGANIZATION

daily floor report

Wednesday, May 06, 2015
84th Legislature, Number 64
The House convenes at 10 a.m.
Part One

Fifty bills are on the daily calendar for second-reading consideration today. The bills analyzed or digested in Part One of today's *Daily Floor Report* are listed on the following page.

Alma Allen
Chairman
84(R) - 64

HOUSE RESEARCH ORGANIZATION

Daily Floor Report
Wednesday, May 06, 2015
84th Legislature, Number 64
Part 1

SUBJECT: Allowing districts to withdraw from the teacher health care program

COMMITTEE: Pensions — favorable, without amendment

VOTE: 5 ayes — Flynn, Klick, Paul, J. Rodriguez, Stephenson

2 nays — Alonzo, Hernandez

WITNESSES: For — Arturo Almendarez, Calallen ISD; Paul Clore, Gregory-Portland ISD; Lynn Burton, Orange Grove ISD; Victor Contreras, Texas Association of School Boards and Marion ISD; (*Registered, but did not testify*: John Grey, Texas State Teachers Association, Arthur Granado)

Against — Ted Melina Raab, Texas American Federation of Teachers; Beaman Floyd, Texas Association of School Administrators; (*Registered, but did not testify*: Colby Nichols, Texas Association of Community Schools, Texas Rural Education Association)

On — Brian Guthrie, Teacher Retirement System; Ann Fickel, Texas Classroom Teachers Association

BACKGROUND: The Legislature in 2001 created a health insurance program for active teachers. Insurance Code, sec. 1579.151 requires school districts with 500 or fewer employees that were not individually self-funded on January 1, 2001, and regional education service centers to participate in the program. Sec. 1579.152, which went into effect September 1, 2005, allowed districts with more than 500 employees to participate in the program. Sec. 1579.153 allows districts that were members of a risk pool that existed on January 1, 2001, to elect to be treated as a single unit for purposes of determining the number of employees required or allowed to participate in the program.

The program is administered by the Teacher Retirement System of Texas (TRS) and is known as TRS-ActiveCare. It is funded by state contributions, district contributions, and employee premiums. The state contribution is distributed to districts through school finance formulas.

DIGEST:

HB 3453 would allow school districts or risk pools to elect on September 1, 2015, to participate in the group health program for school employees. A district or risk pool could elect not to participate in the program, regardless of the district or risk pool's previous election or requirement to participate.

The bill would repeal Insurance Code, sec. 1579.151 and sec. 1579.153.

The bill would authorize TRS by rule to establish a rating method for determining premiums charged in different regions for health benefits provided under TRS-ActiveCare.

This bill would take effect September 1, 2015.

SUPPORTERS SAY:

HB 3453 would allow school districts to withdraw from TRS-ActiveCare, the health insurance program for working teachers. This would give all districts, regardless of size, the flexibility to consider all options and choose health insurance that worked best for their employees.

When the state program began in 2002, districts with 500 or fewer employees were required to participate. Larger districts later were allowed to opt in, although about half the state's teachers currently work for large urban districts that do not participate in TRS-ActiveCare. The bill would allow smaller districts the option to shop around for more affordable and higher quality health coverage, just as larger districts can do. Market competition could force insurance companies to compete for districts' business.

As state contributions have remained flat, districts and employees have been forced to bear the higher insurance costs. About 36 percent of participating districts pay the $150 minimum monthly amount per employee required by state law. An additional 23 percent of districts contribute up to $50 more per month. Other districts pay substantially more in order to attract and keep teachers and support staff.

According to TRS, monthly premiums for an employee and family enrolled in a comprehensive plan were $1,323 for the 2014-15 plan year. As coverage has become more expensive, some teachers are declining

coverage or moving to a high-deductible plan. School employees also have seen benefit reductions as the state no longer requires TRS to offer a plan comparable to the one offered to state employees. While the state pays the entire cost for state employees, school employees in fiscal 2015 pay 59 percent of the premium.

Increasing costs require districts to use more of their budgets to pay for health care or pass the costs along to their employees. Health insurance is an important benefit for districts to attract and keep teachers and support staff. The bill would allow districts local discretion to better manage their budgets.

The bill would allow TRS to develop a regional rating method for determining premiums. Regional rating is a fair mechanism to ensure that costs reflect the market in a given region.

Increasing the state's contributions to the current system, as some have urged, would not address the underlying lack of competition. Premiums will always rise in a market with no competition and a government subsidy.

The bill would not affect the health plan for retired teachers, known as TRS-Care.

OPPONENTS SAY:

HB 3453 could reduce the number of school employees covered by TRS-ActiveCare, leading to higher premiums for those who remained. Insurance affordability is determined in part of the size of a risk pool. If the pool shrinks too much for the risk to be spread among a large number of school employees, the costs could increase substantially.

Districts could find lower premiums when they initially purchased insurance only to see those costs rise when the policies were renewed. At this point, they could seek to re-enter TRS-ActiveCare. This could create volatility for the program.

The bill also could create added uncertainty for districts by allowing TRS to develop a regional rating system. While this could result in lower premiums for some regions, other regiosn likely would see higher

premiums.

The bill would fail to address the real problem with the state's teacher health program, which is the failure of the state to increase its contributions since the program began in 2002. This has led to higher costs for districts and their employees. Instead of reducing the risk pool, the state should increase its contribution for insurance costs, which have remained at $75 per month per employee since the program began in 2002.

SUBJECT: Changing certain information reporting requirements for taxable entities

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Springer, C. Turner, Wray

0 nays

1 absent — Parker

WITNESSES: For — (*Registered, but did not testify*: Bob Owen, Texas Society of Certified Public Accountants)

Against — None

On — Briana Godbey, Texas Secretary of State

BACKGROUND: Business Organizations Code, sec. 153.301 allows the secretary of state to require a domestic or foreign limited partnership registered in the state to file a report up to once every four years. The report must contain certain general information, such as the name and address of each general partner. The filing fee attached to the report is $50.

Sec. 302.012 requires professional associations to file a report with the secretary of state every year. It must contain certain general information, such as the name and address of each member of the association and a list of officers. The annual filing fee attached to the report is $35.

All information in both reports also is required by the public information report in Tax Code, sec. 171 that is submitted to the comptroller by some entities in conjunction with their franchise tax returns. While professional associations and limited partnerships are required to submit a franchise tax return, neither is required to submit this report.

DIGEST: HB 2891 would require limited partnerships and professional associations to submit public information reports to the comptroller along with their

annual franchise tax returns. It would remove the requirement for these entities to file reports with the secretary of state.

This bill would take effect September 1, 2015, and would apply only to reports filed on or after that date.

NOTES:

The Legislative Budget Board's fiscal note estimates that the bill would have a negative impact of $4. 8 million in general revenue related funds through fiscal 2016-17 due to the loss of filing fee revenue associated with the reports that no longer would be filed with the secretary of state.

SUBJECT: Requiring neutrality on labor agreements for public works contracts

COMMITTEE: Economic and Small Business Development — favorable, without amendment

VOTE: 6 ayes — Button, C. Anderson, Faircloth, Isaac, Metcalf, Villalba

0 nays

3 absent — Johnson, E. Rodriguez, Vo

WITNESSES: For — Gary Roden and Jon Fisher, Associated Builders and Contractors of Texas (*Registered, but did not testify*: Michael Chatron, AGC Texas Building Branch; Annie Spilman, National Federation of Independent Business in Texas; Cathy Dewitt, Texas Association of Business; Perry Fowler, Texas Water Infrastructure Network (TXWIN); Hector Uribe, United States Hispanic Contractors Association)

Against — Rick Levy, Texas AFL-CIO; Michael Cunningham, Texas State Building and Construction Trades Council (*Registered, but did not testify*: Doug Smolka, Building Trades; Scotty Quick and Clint Matthews, Elevator Constructors; Joe Cooper, Local 286 Plumbers And Pipefitters; Thomas Dodd, Plumbers Local 286; Gilbert Garcia, Sheet Metal Workers Local 67; James Davis, SMART Local 67; Leonard Aguilar, Southwest Pipe Trades Association; John Patrick, Texas AFL-CIO; Paula Littles, Texas NNOC; Maxie Gallardo, Workers Defense Project; Carl Betancourt)

BACKGROUND: Project labor agreements are pre-hire collective bargaining agreements that establish employment terms and conditions for one or more construction projects.

DIGEST: HB 996 would prohibit higher education institutions and government entities from prohibiting, requiring, discouraging, or encouraging contractors or subcontractors from entering into or adhering to an agreement with a collective bargaining organization for projects that were funded with state money, including state-guaranteed debt. The bill also

would prohibit higher education institutions and government entities from discriminating against contractors and subcontractors who were involved in a project labor agreement.

The bill could not be construed to prohibit activity protected by or permit conduct prohibited under the National Labor Relations Act.

The bill would apply only to public works contracts for which an invitation for offers, request for proposals, or other similar solicitations were first distributed on or after the bill's effective date.

HB 996 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS SAY:

HB 996 would ensure that public works contracts were awarded based on who could deliver the best product at the most competitive price, regardless of their collective bargaining status.

When an entity enters into a project labor agreement, a labor union becomes the contact point for all workers, negotiating terms and conditions for contractors and subcontractors. This can put the state in the position of paying into union funds and supporting outdated apprenticeship practices. HB 996 still would allow the state to offer the contract to a unionized contractor who could provide the best deal. Once a unionized contractor had won a bid the contractor could institute a project labor agreement, but the state could not show a preference for a project labor agreement during the bidding.

The decision whether to enter into a project labor agreement should be up to contractors, not the state. Other states have recognized the need for neutrality in public works contracts, and more than 20 have adopted similar legislation, seven of them during the past two years.

The bill would not be an attack on unions. Its language would prohibit public works contracting from favoring unions but also prohibit discriminating against unions. It also would not apply to projects funded entirely by local government entities.

OPPONENTS SAY:

HB 996 would limit the tools that universities, cities, and the state could use to supervise and administer public works contracts. Many large companies already recognize the value of project labor agreements to ensure that large construction projects are completed carefully and without incident. These projects can require thousands of laborers completing millions of hours of work. Project labor agreements provide a framework for the lifespan of a project that includes such terms as limiting a union's ability to go on strike during the project, what services workers will be guaranteed, and how disputes between subcontractors would be resolved.

A project labor agreement would not affect Texas' right-to-work status. If a nonunion worker applied to work on a construction site that was governed by a project labor agreement, the union could not discriminate against the worker based on the worker's nonunion status, so union and nonunion workers alike would benefit from the project labor agreement.

There is no pressing need for the bill, and it would reduce the ability of universities, cities, and the state to consider whether a project labor agreement would be suitable for a particular project in the future.

SUBJECT: Exempting and limiting the sales tax on certain boats and motors

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 7 ayes — D. Bonnen, Bohac, Button, Darby, Murphy, Springer, Wray

3 nays — Y. Davis, Martinez Fischer, C. Turner

1 absent — Parker

WITNESSES: For — Greg Allison, Bay Area Houston Economic Partnership; Peter Davidson, City of Corpus Christi, the Marina Association of Texas; John Preston, Gulf Coast Yacht Brokers Association; Simon Urbanic; (*Registered, but did not testify*: Dan Seal, Bay Area Houston Economic Partnership; John Kuhl, Boating Trades Association of Metropolitan Houston; Brittney Booth, Boating Trades Association of Texas; Tom Tagliabue, City of Corpus Christi; Scott Friedson and Gary Timmons, Tapia)

Against — None

On — Brad Reynolds, Texas Comptroller of Public Accounts

BACKGROUND: Tax Code, sec. 160.021 imposes a 6.25 percent tax on every retail sale of a taxable boat or motor in the state.

DIGEST: HB 619 would exempt certain boats and boat motors from the sales tax and would cap at $15,625 the amount of sales tax that could be imposed on the sale of a taxable boat or motor.

Exemptions. The bill would exempt from the sales tax a boat or boat motor sold in Texas for use outside the state as long as it was removed from the state within 10 days after purchase.

An exemption also would apply if the boat or motor was sold in Texas for use outside the state and was docked or placed at a boat repair facility for repairs or modifications within 10 days after purchase. The item could not

be used while being repaired, except to test repairs and modifications, and the boat or motor would have to be removed from the state no more than 20 days after the repairs were completed.

The comptroller would be required to adopt rules to administer these exemptions.

The bill would take effect September 1, 2015, and would not affect tax liability accruing before that date.

SUPPORTERS SAY:

HB 619 would substantially increase the state's competitiveness in the market for boat sales and service. Tax law changes similar to those proposed in this bill recently were enacted in many coastal states to create a boater-friendly environment, leaving Texas at a competitive disadvantage and jeopardizing Texas' marine industry jobs and the jobs of ancillary businesses.

Many marinas in Texas are losing millions of dollars in potential revenue as their boat slips go unfilled. Boat owners who otherwise would locate in Texas choose to purchase and dock their boats in other states to avoid paying the higher sales tax. It is only a matter of time before marine industries relocate from Texas, resulting in permanent job losses to the state.

This bill actually might not result in a loss in revenue. Similar changes in other states reportedly have resulted in a net gain in tax revenue thanks to the increase in economic activity. Recreational boats spark any number of related service industries, boosting jobs and sales tax collections as visitors fuel, stock, and maintain their boats.

OPPONENTS SAY:

HB 619 would result in a significant loss of revenue from a highly progressive tax. The state should not grant a tax break on private yachts to the rich at a time when the state needs to better fund its most basic obligations, such as health care and education.

Although the individual cost of this exemption might not seem large in comparison to the state budget, the Legislature must consider the aggregate cost of all of the new exemptions and tax cuts. Major tax relief

bills already are likely to result in billions of dollars of lost future revenue, and this tax relief combined with the many individual tax exemptions likely to be added this year would make that cost unsustainable.

NOTES:

The Legislative Budget Board's fiscal note indicates that this bill would result in a negative net impact of about $3.6 million in general revenue related funds through fiscal 2016-17.

SUBJECT: Allowing certain nonprofits to retain sales tax for vocational training

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 9 ayes — D. Bonnen, Bohac, Button, Darby, Martinez Fischer, Murphy, Springer, C. Turner, Wray

0 nays

2 absent — Y. Davis, Parker

WITNESSES: For — Lori Henning, Texas Association of Goodwills; (*Registered, but did not testify*: Dennis Borel, Coalition of Texans with Disabilities; Traci Berry, Goodwill Central Texas; Cyrus Reed, Lone Star Chapter Sierra Club; Nelson Salinas, Texas Association of Business; Jennifer Allmon, the Texas Catholic Conference of Bishops)

Against — None

BACKGROUND: Tax Code, ch. 151 imposes a 6.25 percent tax on donated items sold by nonprofit retailers.

DIGEST: HB 2341 would allow non-profits that provided job training and placement services for people with barriers to employment to keep 50 percent of the sales tax on retail sales from their stores, provided that they used these funds to expand vocational services.

This bill would require the comptroller to certify as workforce training community centers retailers that applied and met certain requirements. To be certified, a retailer would have to:

- be a 501(c)(3) organization;
- collect sales taxes on the sale of donated goods;
- have significant experience with assisting people with barriers to employment;
- be affiliated with a national or statewide organization; and
- have annual sales of at least $1 million.

This certification would last three years and could be renewed.

A certified organization could retain 50 percent of the sales tax imposed for the sale of donated goods. This would not include the sales taxes imposed by a political subdivision of the state. Any sales tax retained under this authority could be used only to:

- provide vocational services to people with barriers to employment;
- develop an individualized written training and employment plan for each person assisted; and
- monitor and support job retention.

In the first year of its certification, a qualifying organization would be able to use retained money to prepare to provide these services. After this first year, a qualifying organization would be required to provide vocational services to at least three people and successfully place an average of at least 2.25 people in jobs for every $10,000 of sales tax retained. The organization would be required to demonstrate that these metrics were met at the end of every three-year certification period and could be required to do so by the comptroller at any time after the first year. The qualifying organization would have to demonstrate that it had not used any retained sales tax for purposes other than those provided above.

The certification could be revoked by the comptroller after a written notice and a hearing. If a certification were revoked, the comptroller could collect a portion of the tax retained by the retailer.

This bill would take effect September 1, 2015, and would apply only to tax liability accruing on or after that date.

NOTES:

The Legislative Budget Board estimates that the bill would have a negative net impact of $23.1 million to general revenue through fiscal 2016-17.

SUBJECT: Changing taxation requirements for professional employer organizations

COMMITTEE: Economic and Small Business Development — committee substitute recommended

VOTE: 9 ayes — Button, Johnson, C. Anderson, Faircloth, Isaac, Metcalf, E. Rodriguez, Villalba, Vo

0 nays

WITNESSES: For — Chris Dollins, Texas Chapter of National Association of Professional Employer Organizations; (*Registered, but did not testify*: Andrea McHenry, Insperity, Inc.; Daniel Harris, National Association of Professional Employer Organizations; Garry Bradford; Guy Robert Jackson)

Against — (*Registered, but did not testify*: Jennifer Stevens, ADP Total Source; Mary Nabers, Trinet)

On — Steve Riley, Texas Workforce Commission

BACKGROUND: Professional employer organizations, defined in Labor Code, ch. 91, provide professional services such as human resources or insurance coverage for small employers.

Sec. 201.082 determines the amount an employer must pay into the state unemployment compensation fund per employee per year. When a small business contracts with a professional employer organization in the middle of the calendar year, the professional employer organization must start the year again in terms of how much money to contribute to the unemployment compensation fund per employee. These costs usually are passed on to the client business.

DIGEST: CSHB 3150 would amend the Labor Code to permit a professional employer organization to apply the amount that had already been paid into the state unemployment compensation fund on behalf of an employee in a calendar year toward that employee's total for the year.

The bill also would require professional employer organizations to file information with the Texas Workforce Commission about their client's classification code according to the North American Industry Classification System.

The bill would take effect September 1, 2015, and would only apply to contributions and withholdings due on or after January 1, 2016.

SUPPORTERS SAY:

CSHB 3150 would end the double taxation on small businesses that choose to use the services of a professional employer organization in the middle of the calendar year. Many small businesses cannot afford to hire additional personnel to handle human resources, insurance, and other administrative services required for full-time employees. This has led many to contract with professional employer organizations, whose services help enable a company to focus on growing the company's business and creating jobs.

Under current law, businesses that contract with a professional employer organization in the middle of the calendar year unintentionally expose themselves to double taxation, which the bill would prevent. The state should not penalize small businesses for this. More broadly, the amount of revenue that no longer would be going into the unemployment compensation fund by ending this practice is inconsequential compared to how vital small businesses are to the economy.

OPPONENTS SAY:

Businesses that contract with a professional employer organization in the middle of the year pay more into the unemployment compensation fund than they otherwise would. By ending this practice, CSHB 3150 would decrease the amount of revenue going to unemployment compensation, which might require other businesses to make up the difference.

SUBJECT: Allowing summons instead of warrants for certain parole violations

COMMITTEE: Corrections — committee substitute recommended

VOTE: 7 ayes — Murphy, J. White, Allen, Keough, Krause, Schubert, Tinderholt

0 nays

WITNESSES: For — Allen Place, Texas Criminal Defense Lawyers Association; Douglas Smith, Texas Criminal Justice Coalition; Mark Walters, Verus Consulting; (*Registered, but did not testify*: Lance Lowry, AFSCME Texas Correctional Employees-Huntsville; Victor Cornell, American Civil Liberties Union of Texas; Seth Mitchell, Bexar County Commissioners Court; Gyl Switzer, Mental Health America of Texas; Mark Mendez, Tarrant County Commissioners Court; Donald Lee, Texas Conference of Urban Counties; Jennifer Erschabek, TIFA; Deece Eckstein, Travis County Commissioners Court)

Against — None

On — Rissie Owens, Board of Pardons and Paroles; (*Registered, but did not testify*: Tim McDonnell, Board of Pardons and Paroles; Stuart Jenkins, Texas Department of Criminal Justice)

BACKGROUND: Under Government Code, ch. 508 the Texas Department of Criminal Justice's pardons and paroles division may issue a warrant or summons requiring a person released on parole or mandatory supervision to appear for a hearing if the person has been arrested for an offense or the person violates a rule or condition of release.

The division is required to issue a summons instead of a warrant if the person is charged only with an administrative violation after the third year following their release and certain other conditions are met.

There is no provision that would require the division to issue a summons instead of a warrant for persons who commit only minor crimes. Those individuals are released into the community after their hearings before the

board of pardons and paroles but in the meantime are kept in county jail for an average of 34 days.

DIGEST:

CSHB 710 would require that the pardons and parole division issue a summons instead of a warrant if a releasee was charged only with committing a new offense after the first anniversary of the person's release if the new offense were a class B misdemeanor (up to 180 days in jail and/or a maximum fine of $2,000) or class C misdemeanor (maximum fine of $500), other than an offense committed against a minor or an offense involving family violence, and:

- the person had maintained steady employment and a stable residence for at least a year;
- the person had not been previously charged with an offense after release;
- the person was not a convicted sex offender;
- the person was not on intensive supervision or superintensive supervision;
- the person was not an absconder; and
- the person was not determined by the division to be a threat to public safety.

Under the bill, the pardons and parole division would be required to issue a summons instead of a warrant if a releasee was charged only with committing an administrative violation after the first anniversary of the person's release date, rather than the third anniversary as under current law.

If a releasee appeared to be in compliance with a summons and was found to be in violation of a condition of release, a warrant could not be issued until the board or parole panel made a final determination revoking the release.

This bill would take effect on September 1, 2015 and would apply only to violations charged and hearings held on or after that date.

SUBJECT: Coverage for serious mental illness under group health insurance plans

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman

0 nays

WITNESSES: For — Katharine Ligon, Center for Public Policy Priorities; Bill Kelly, Mental Health America of Greater Houston; April Alaspa, SafePlace; Lee Johnson, Texas Council of Community Centers; (*Registered, but did not testify*: Christine Bryan, Clarity Child Guidance Center; Eric Woomer, Federation of Texas Psychiatry; Knox Kimberly, Lutheran Social Services of the South; Cate Graziani, Mental Health America of Texas; Jennifer Reese, National Alliance on Mental Illness-Austin; Josette Saxton, Texans Care for Children; Patricia Kolodzey, Texas Medical Association; Merily Keller, Texas Suicide Prevention Council; Melody Chatelle, United Ways of Texas; Lauren Rosales; Alicia Vogel)

Against — (*Registered, but did not testify*: Bill Hammond, Texas Association of Business)

On — Andy Keller, Meadows Mental Health Policy Institute; Jan Graeber, Texas Department of Insurance; (*Registered, but did not testify*: Jennifer Soldano, Texas Department of Insurance)

BACKGROUND: Insurance Code, ch. 1355, subch. A requires a group health benefit plan to provide coverage, based on medical necessity, for treatment of serious mental illness, which includes treatment for seven psychiatric illnesses as defined by the American Psychiatric Association in the Diagnostic and Statistical Manual and specified in sec. 1355.001.

DIGEST: CSHB 838 would add post-traumatic stress disorder (PTSD) to the definition of a "serious mental illness" for which a group health benefit plan was required to provide coverage under Insurance Code, sec. 1355.001. The bill would define PTSD to mean a disorder that:

- met the diagnostic criteria for that disorder in the Diagnostic and Statistical Manual of Mental Disorders, fifth edition or later adopted by the commissioner of insurance; and
- resulted in an impairment of a person's functioning in the person's community, employment, family, school, or social group.

The bill would not apply to a qualified health plan under the Affordable Care Act (ACA) if a determination were made that the bill would require a qualified health plan to offer benefits in addition to the essential health benefits under the ACA and that the state would be required to defray the cost of the additional benefits.

CSHB 838 would take effect September 1, 2015, and would apply only to a group health benefit plan that was delivered, issued for delivery, or renewed on or after January 1, 2016.

SUPPORTERS SAY:

CSHB 838 would reduce significant financial barriers to mental health care for individuals with post-traumatic stress disorder by including it as a serious mental illness for which group health benefit plans would be required by state law to provide coverage. Individuals with PTSD, an anxiety disorder, include survivors of military combat, war, family violence, sexual assault, natural disasters, and other traumatic events. Symptoms associated with PTSD can last months or years following a traumatic event, requiring ongoing treatment.

CSHB 838 would allow individuals enrolled in large employer health benefit plans to access affordable, much-needed treatment for this disorder. The bill would not create a mandate that resulted in a cost to the state because coverage for serious mental illness and PTSD already is required to be included in the federal essential health benefits for individual and small group health plans under the Affordable Care Act. Medicaid, Medicare, and the Children's Health Insurance Program already are required to cover this disorder, and the bill would ensure that more Texans had affordable access to treatment.
Any additional cost to a new policy would be negligible because the coverage already is included and priced for under most plans.

OPPONENTS SAY:

CSHB 838 would add a mandate for health insurers, which could increase the costs of health care for businesses and premium holders.

SUBJECT: Changing the statute of limitations for unlawful employment practices

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 4 ayes — Oliveira, Collier, Romero, Villalba

3 nays — Simmons, Fletcher, Rinaldi

WITNESSES: For — Becky Moeller, Texas AFL-CIO; Jason Smith, Texas Employment Lawyers Association; (*Registered, but did not testify*: Matt Simpson, ACLU of Texas; Celina Moreno, MALDEF; Ted Melina Raab, Texas AFT (American Federation of Teachers); Ware Wendell, Texas Watch; Maxie Gallardo, Workers Defense Project; Mike Hinojosa; Maria Jimenez)

Against — Annie Spilman, National Federation of Independent Business/Texas; Ronnie Volkening, Texas Retailers Association; (*Registered, but did not testify*: Jon Fisher, Associated Builders and Contractors of Texas; Cathy Dewitt, Texas Association of Business; Kathy Williams, Texas Association of Staffing; Pamela Bratton, TexasSHRM- Society for HR Management Texas State Council)

On — Lowell Keig, Texas Workforce Commission; (*Registered, but did not testify*: Mike Hull, Texans for Lawsuit Reform)

BACKGROUND: Under Labor Code, sec. 21.051, an employer commits an unlawful employment practice if the employer commits certain acts against a person because of a person's race, color, disability, religion, sex, national origin, or age. These acts include discriminating against an individual in connection with compensation.

Ch. 11, subch. E, provides that a person claiming to be aggrieved by an unlawful employment practice may file a complaint with the Texas Workforce Commission, civil rights division. The complaint must be filed by the 180th day after the date the alleged unlawful employment practice occurred.

DIGEST:

CSHB 187 would change the deadline to file a complaint based on an unlawful employment practice. A person would be required to file a complaint by the earlier of:

- the 180th day after the date the person discovered the alleged unlawful employment practice; or
- the fifth anniversary of the date the alleged unlawful employment practice occurred.

With respect to a complaint based on the payment of wages, the bill would specify that in calculating the deadline noted above, an unlawful employment practice did not occur each time wages were paid that were affected by the practice.

The bill would take effect September 1, 2015, and would not apply to an unlawful employment practice that occurred before that date.

SUPPORTERS SAY:

CSHB 187 would give people a more flexible statute of limitations within which to file a complaint based on unlawful employment practices. Employees often do not discover unlawful employment practices, such as wage discrimination, until some time after the decision was made. It is the culture in many workplaces to discourage employees from discussing salaries with co-workers, making it difficult to discover unequal payment.

The bill would limit the time a person had to file a complaint, giving a definite end to employers for potential liability. The bill also would limit the events that could give rise to a complaint, specifying that each time wages were paid, it would not be considered a new unlawful employment practice.

Businesses would not be burdened by this bill for record retention purposes because they already are required by the Internal Revenue Service to retain employment tax records for at least four years from the time the tax is due or paid. At most, businesses would need to retain records only for a few months longer than under current requirements.

CSHB 187 would make a state court cause of action more accessible but would not increase litigation or complaints drastically. State court can be a

less expensive venue and cases can be resolved more quickly than in federal court. Under current law, someone can bring a lawsuit in federal court for the same reasons and within the same statute of limitations as this bill would implement in state law. The courts are not clogged with these lawsuits, and this bill would not increase them significantly.

OPPONENTS SAY:

CSHB 187 would burden businesses unnecessarily with longer record retention requirements and would result in more complaints and lawsuits being filed against employers. Current law is sufficient to provide a balance between the rights of potential complainants and the burden on businesses.

The bill would increase the period of time for which businesses would be required to retain records to five years. This would be overly burdensome, especially for small businesses.

The bill also would cause an increase in complaints and lawsuits because employees would have more time to consider suing their employers. Employees would have 180 days from the date they discovered the alleged unlawful employment practice, rather than from the date the practice occurred as under current law, which could be a significant amount of time after the alleged employment practice.

SUBJECT: Amending the process to select students for university boards of regents

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 8 ayes — Zerwas, Howard, Clardy, Crownover, Martinez, Morrison, Raney, C. Turner

0 nays

1 absent — Alonzo

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Susan Brown, Texas Higher Education Coordinating Board)

BACKGROUND: Education Code, secs. 51.355 and 51.356 provide the processes for selecting student members for the board of regents at the state's university systems and institutions that are not part of a university system.

Both processes contain the same timeline and procedure for regent selection, requiring the student government of every institution each fall to solicit regent applicants and select five applications by January 1. These applications are sent either to the system chancellor or, for an individual institution, the president, who selects two or more applications that must be sent to the governor by February 1.

On June 1, or as soon after as practicable, the governor must appoint an applicant for each university system or individual institution to serve as the student regent for a one-year term. The governor is not required to appoint applicants recommended by a chancellor or president. This has been interpreted to mean that students may bypass the application process and apply directly to the governor to be appointed a student regent.

DIGEST: Under CSHB 1256, the governor could not appoint a student regent who

had not submitted an application to the student government of his or her institution.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUBJECT: Establishing peer specialists under the medical assistance program

COMMITTEE: Human Services — committee substitute recommended

VOTE: 5 ayes — Raymond, Rose, Keough, Naishtat, Peña

0 nays

4 absent — S. King, Klick, Price, Spitzer

WITNESSES: For — Bill Kelly, Mental Health America of Greater Houston; Lee Johnson, Texas Council of Community Centers; Paul Eisenhauer, Texas State Employees Union; Michele Bibby; Christina Carney; Andrea Marz; (*Registered, but did not testify*: Albert Metz, ADAPT; Cynthia Humphrey, Association of Substance Abuse Programs; Katharine Ligon, Center for Public Policy Priorities; Dennis Borel, Coalition of Texans with Disabilities; Robin Peyson, Communities for Recovery; Sarah Watkins and Joe Tate, Community Now; Kathryn Lewis, Disability Rights Texas; Tanya Lavelle, Easter Seals Central Texas; Shaun Bickley, Imagine Enterprises; Coby Chase, Meadows Mental Health Policy Institute; Cate Graziani, Mental Health America of Texas; Laura Austin and Greg Hansch, National Alliance on Mental Illness (NAMI) Texas; Will Francis, National Association of Social Workers-Texas Chapter; Jason Howell, Soberhood; Duane Galligher, Texas Association of Addiction Professionals; Shelby Massey, Texas Association of Community Health Centers; Douglas Smith, Texas Criminal Justice Coalition; Stacy Wilson, Texas Hospital Association; Michelle Romero, Texas Medical Association; Harrison Hiner, Texas State Employees Union; Conrad John, Travis County Commissioners Court; Melody Chatelle, United Ways of Texas; Marilyn Hartman; Lauren Johnson; Linda Litzinger; Deborah Rosales Elkinsl)

Against — None

On — Sonja Gaines, Health and Human Services Commission; Colleen Horton, Hogg Foundation for Mental Health; Tamela Griffin; (*Registered, but did not testify*: Robyn Strickland, Department of State Health

Services)

BACKGROUND: Peer support services are based on an evidence-based mental health care model in which a qualified peer support provider helps individuals with recovery from mental illness and substance use conditions. Texas has a process for certifying mental health and substance use peer specialists. Peer support services do not replace other mental health services but are believed to reduce the frequency of more expensive services.

DIGEST: CSHB 1541 would amend the Human Resources Code to require the Health and Human Services Commission to include peer services provided by certified peer specialists under Medicaid to the extent permitted by federal law. The commission would have to establish a separate provider type for peer specialists for purposes of enrollment as providers of and reimbursement under Medicaid.

The bill also would amend the Government Code to adopt rules and standards governing peer specialists. With input from peer specialists, state-approved organizations that certify peer specialists, and other relevant stakeholders, the Health and Human Services Commission would develop and the executive commissioner would adopt:

- rules to establish training requirements for peer specialists;
- rules that establish certification and supervision requirements for peer specialists;
- rules that define the scope of services peer specialists may provide;
- rules that distinguish peer services from other services that a person must hold a license to provide; and
- any other rules necessary to protect the health and safety of persons receiving peer services.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

NOTES: The Legislative Budget Board estimates that the bill would have a negative fiscal impact of $1.6 million through fiscal 2016-17.

SUBJECT: Permitting extension of time limits for school district boards of managers

COMMITTEE: Public Education — favorable, without amendment

VOTE: 8 ayes — Aycock, Allen, Bohac, Deshotel, Galindo, Huberty, K. King, VanDeaver

1 nay — González

2 absent — Dutton, Farney

WITNESSES: For — (*Registered, but did not testify*: Julie Linn, Texans for Education Reform)

Against — Jim Nelson, Texas Association of School Boards; Ted Melina Raab, Texas American Federation of Teachers

On — Von Byer, Texas Education Agency; Steve Swanson; (*Registered, but did not testify*: Ronald Rowell, Texas Education Agency)

BACKGROUND: Under Education Code, sec. 39.102, school districts that do not satisfy certain accreditation criteria, academic performance standards, or financial accountability standards are subject to escalating actions by the commissioner of education, including the appointment of a conservator to oversee the district's operations or the appointment of a board of managers to exercise the powers and duties of a school board.

Under sec. 39.112, if a board of managers is appointed for a school district, the powers of the existing school board are suspended during the appointment, and the board of managers may submit to the commissioner for approval a budget for the district. Boards of managers may only be in place for a maximum of two years and no later than two years after their appointment must hold an election of members to the school board.

DIGEST: HB 3106 would allow the commissioner of education to extend by an additional two years the authority over a school district of a board of managers if the commissioner determined that insufficient progress had

been made toward improving the district.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS SAY:

HB 3106 would give a board of managers more time, when warranted, to help turn around a struggling school district more effectively. Some school districts suffer from a diverse array of complicated problems that cannot be solved in only two years. While many school districts put under temporary control of a board of managers may not need additional time to address problems, the bill would give the education commissioner greater flexibility to effectively deploy a board of managers over a longer period.

Appointing a board of managers is rare and used only in exceptional cases, but the commissioner should be able to grant the board time to do what is necessary when the situation demands it. The bill would not require that individual managers have their terms extended, nor would it change the board's duties, composition, or the process by which it was implemented.

OPPONENTS SAY:

HB 3016 is not necessary because the education commissioner already has sufficient tools to oversee troubled school districts. The commissioner is able to continue school district oversight after two years by having a conservator in place even after the election of a school board. There is no need to extend the appointment of boards of managers, which are made up of unelected individuals who may not live in the districts they serve but still make critical decisions about those districts that can have long-ranging implications. The state should maintain the appropriate limit on their influence that currently exists in statute.

OTHER OPPONENTS SAY:

HB 3016 should allow an extension for only one year, which would give a total of three years to the board of managers, and should require the commissioner to seek the input of a board of managers and others before extending the two-year time limit.

SUBJECT: Classifying fertilizer spreaders, feed trailers as an implement of husbandry

COMMITTEE: Agriculture and Livestock — committee substitute recommended

VOTE: 7 ayes — T. King, C. Anderson, Cyrier, González, Rinaldi, Simpson, Springer

0 nays

WITNESSES: For — Donnie Dippel, Texas Ag Industries Association (TAIA); (*Registered, but did not testify*: David Gibson, Corn Producers Association of Texas; Kaleb McLaurin, Texas and Southwestern Cattleraisers Association; Josh Winegarner, Texas Cattle Feeders Association; Robert Turner, Texas Poultry Federation)

Against — None

On — (*Registered, but did not testify*: Jeremiah Kuntz, Texas Department of Motor Vehicles)

BACKGROUND: Transportation Code, sec. 541.201 designates as an "implement of husbandry" a vehicle, other than a passenger car or truck, that is designed and adapted for use as a farm implement, machinery, or tool for tilling the soil.

Implements of husbandry are exempted from certain requirements, such as width restrictions for vehicles operated on public highways. Questions have been raised recently as to whether certain vehicles qualify as an implement of husbandry exempt from certain requirements.

DIGEST: CSHB 2202 would stipulate that a towed vehicle that transported and spread fertilizer or agricultural chemicals or a motor vehicle designed and adapted to deliver feed to livestock would qualify as an implement of husbandry. These meanings would be added to the current definition of implement of husbandry under Transportation Code, sec. 541.201.

The bill would specify that certain exceptions to width restrictions of

vehicles operated on public highways would apply to “implements of husbandry” as defined by sec. 541.201.

The bill would take effect September 1, 2015.

SUBJECT: Conforming the Uniform Interstate Family Support Act to federal law

COMMITTEE: Judiciary and Civil Jurisprudence — committee substitute recommended

VOTE: 8 ayes — Smithee, Farrar, Clardy, Laubenberg, Raymond, Schofield, Sheets, S. Thompson

0 nays

1 absent — Hernandez

WITNESSES: For — John J. Sampson, Uniform Law Commission; (*Registered, but did not testify*: Steve Bresnen, Texas Family Law Foundation)

Against — None

On — Barry Brooks, Joel Rogers, and Charles Smith, Texas Attorney General

BACKGROUND: The Uniform Interstate Family Support Act (UIFSA) was created to facilitate interstate enforcement of child support orders. In 1993, Texas adopted UIFSA as chapter 159 of the Texas Family Code. UIFSA has been modified several times and Texas has updated the Family Code to match those modifications. In 2008, the Uniform Law Commission approved amendments to UIFSA to incorporate numerous provisions from the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance.

The recent amendments to UIFSA must be approved as drafted in order to receive federal funding under Title IV-D of UIFSA and to be eligible for a Temporary Assistance for Needy Families block grant. The Office of Attorney General Child Support Division estimates a loss of $480.8 million in federal funds during the next biennium if the bill is not enacted.

DIGEST: CSHB 3538 would make several substantive changes and many technical changes to the Family Code to conform the code to the exact language of the Uniform Interstate Family Support Act (UIFSA) as it was approved

and amended.

Initiating support proceedings under the convention. The bill would allow both the attorney general's office and petitioners to initiate support proceedings for recognition and enforcement of support orders, and for establishment of support orders if none existed, including determination of parentage of a child. The bill would set forth the procedure for initiating proceedings as well as whether current state law or the provisions added by the bill would govern the proceedings.

Registration and contesting of support orders. Under the bill, certain information would be required to accompany any support order sought to be registered in the state, including proof of enforceability, proof that the respondent was given proper notice and was represented in any proceeding, and the amount of support in arrears. The bill also would provide certain procedures for contesting a registered support order.

Refusal of recognition and enforcement of a support order. Under specific circumstances, a court could refuse to recognize and enforce a support order. These circumstances would include public policy, fraud, lack of authenticity, incompatibility with other orders, and improper notice to the respondent. Courts would have several options if they did not recognize support orders, including partial enforcement and establishing new Hague Convention support orders.

Modification of support orders. A court could not modify a Hague Convention child support order if the obligee remained in the foreign country unless the obligee submitted to the jurisdiction of the state or the foreign tribunal lacked or refused to exercise jurisdiction.

The bill also would make many technical and conforming changes to the Family Code.

This bill would take effect July 1, 2015, if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the legislative session and would apply to proceedings commenced on or after that date.

NOTES:

According to the Legislative Budget Board's fiscal note, HB 3538 would have no significant fiscal impact to the state. However, the Office of Attorney General Child Support Division estimates a loss of $480.8 million in federal funds during fiscal 2016-17 due to Texas law being out of compliance with federal requirements if the bill were not enacted.

SUBJECT: Providing tax incentives for using alternative base fluids in fracking

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Springer, C. Turner, Wray

0 nays

1 absent — Parker

WITNESSES: For — Michael Rosen, Air Liquide USA LLC; Robin Watts, Linde; Tony Wallace, Praxair; Lionel Ribeiro, Statoil, University of Texas at Austin; Deepen Gala, University of Texas at Austin; (*Registered, but did not testify*: Mahmoud Asadi, Peter Depasquale, and Chris Shields, Praxair; Michael Garcia, Texas Association of Manufacturers; Dale Craymer, Texas Taxpayers and Research Association)

Against — None

On — (*Registered, but did not testify*: Brad Reynolds, Texas Comptroller of Public Accounts)

BACKGROUND: Under Tax Code, ch. 151, alternative base fluids used in fracking operations are considered taxable items subject to sales taxes. These alternative base fluids replace freshwater as a fracking fluid, which is not taxed when purchased by an operator.

DIGEST: HB 2691 would exempt from sales taxes alternative base fluids that were used in a fracking operation, along with any equipment used to process or recycle alternative base fluids.

The bill would define "alternative base fluids" to include nitrogen, carbon dioxide, and fluids other than water.

This bill would create a tax credit against oil and gas severance taxes for operators for which alternative base fluids used as a substitute for water

made up at least 20 percent of fluids in the fracking operation. The tax credit would reduce the tax imposed by the percentage of the fluid used in a fracking operation that was alternative base fluid, up to 50 percent.

To qualify for the tax credit, an operator would have to submit to the comptroller an application that included any information required by the comptroller and certain specific information about the fracking fluid used.

The bill would create penalties for falsifying an application. The penalty could not exceed the amount of credit wrongly claimed plus $10,000.

This bill would require the comptroller to adopt rules to administer this tax credit by December 31, 2015. This provision would take effect immediately if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

The other sections of the bill would take effect January 1, 2016, and would apply only to tax liability accruing or oil or gas produced on or after that date.

NOTES:

The Legislative Budget Board estimates that the bill would have a negative net impact of $11.48 million to general revenue through fiscal 2016-17.

SUBJECT: Requiring disclosure of certain information about government contracts

COMMITTEE: General Investigating and Ethics — favorable, without amendment

VOTE: 5 ayes — Kuempel, Collier, S. Davis, Larson, C. Turner

0 nays

2 absent — Hunter, Moody

WITNESSES: For — Tom "Smitty" Smith, Public Citizen, Inc.; (*Registered, but did not testify*: A. Panju, Freedom of Information Foundation of Texas; Dustin Matocha, Texans for Fiscal Responsibility; Michael Schneider, Texas Association of Broadcasters; Donnis Baggett and Alicia Calzada, Texas Press Association; Mark Terry)

Against — None

BACKGROUND: Under Government Code, sec. 572.021, state officers, candidates for office, and state party chairs are required to file verified financial statements with Texas Ethics Commission. The financial statement must include certain information, such as all sources of occupational income.

Personal financial statements are designed to provide transparency to constituents regarding the financial relationships of governmental officials and candidates. Questions have been raised recently as to whether these personal financial statements require the disclosure of sufficient information.

DIGEST: HB 1294 would add a category of information required to be disclosed in a financial statement filed by candidates and certain state officials with the Texas Ethics Commission.

Required information would include the identification of certain contracts with a governmental entity or with a person who contracted with a governmental entity to fulfill one or more of the person's obligations to the entity under that contract.

The candidate or official would be required to disclose the name of each party to the contract for the sale of goods or services of $2,500 or more to which the individual, the individual's spouse or dependent child, or any business entity of which any of those individuals had at least 50 percent ownership interest was a party.

The information would be included if the aggregate cost of goods or services sold under one or more written contracts described above exceeded $10,000 in the year covered by the report.

The bill would take effect September 1, 2015, and would apply only to a financial statement filed on or after January 1, 2017.

SUBJECT: Removing exceptions to contingency fee prohibition related to lobbying

COMMITTEE: General Investigating and Ethics — committee substitute recommended

VOTE: 6 ayes — Kuempel, Collier, S. Davis, Hunter, Larson, Moody

0 nays

1 absent — C. Turner

WITNESSES: For — (*Registered, but did not testify*: Jesse Romero, Common Cause Texas; Tom "Smitty" Smith, Public Citizen; Todd Jagger)

Against — (*Registered, but did not testify*: Carol Sewell)

On — Jack Gullahorn, Professional Advocacy Association of Texas

BACKGROUND: Government Code, sec. 305.022 prohibits, with certain exceptions, contingency fees for for-profit lobbying activities.

Under Government Code, sec. 305.031 a violation of the prohibition against contingency fees is a third-degree felony (two to 10 years in prison and an optional fine of up to $10,000).

DIGEST: CSHB 3517 would prohibit previously permissible contingency fees paid to independent contractors of vendors of products or services to influence legislation or administrative action when the amount of the state agency purchasing decision did not exceed $10 million.

The bill also would require a person to register as a lobbyist under Government Code, ch. 305 if the person communicated in a capacity other than as an employee of a vendor to a member of the executive branch concerning state agency purchasing decisions and the compensation for the communication was not contingent on the outcome of any administrative action.

SUPPORTERS SAY: CSHB 3517 is necessary to strengthen transparency and ensure ethical

procurement activities. The prohibition against contingency fees would help eliminate any temptation toward corruption that could arise in purchasing decisions. Contingency fees could encourage lobbyists to do everything they can to win, which may be appropriate in a private adversary suit, but it is not appropriate in a public context. By requiring independent contractors to register if they engaged in lobbying for purchasing decisions, this bill would provide greater transparency for these decisions and provide another safeguard against corruption.

This bill also would provide clarity for independent contractors who lobby on behalf of vendors. Under current law, these independent contractors often have a difficult time determining the value of a purchasing decision, particularly when there is a possibility of renewal. This bill would eliminate contingencies altogether, clearing up any confusion that may arise from the calculation of purchasing decisions.

OPPONENTS SAY:

Contingency fees provide valuable avenues for citizens to petition their government. The exceptions that currently exist are sufficient to ensure that lobbyists are not encouraged to act in corrupt ways, as they limit contingency fees to relatively small purchase decisions.

SUBJECT: Creating an exception to offenses with certain prohibited weapons

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 7 ayes — Herrero, Moody, Canales, Hunter, Leach, Shaheen, Simpson

0 nays

WITNESSES: For — David Carter; David Matheny; Edwin Walker; Todd Rathner, NFA Freedom Alliance; Terry Holcomb, Texas Carry Inc.; Alice Tripp, Texas State Rifle Association; (*Registered, but did not testify*: Joe Palmer; Steve Dye, Grand Prairie Police Department; Tara Mica, National Rifle Association; Lon Craft, Heath Wester, Texas Municipal Police Association)

Against — None

BACKGROUND: Under Penal Code, sec. 46.05, the intentional or knowing possession of certain firearms and silencers is prohibited, but it is a defense to prosecution that the possession was pursuant to registration under the National Firearms Act.

DIGEST: HB 989 would amend the Penal Code to exclude from the items that it would be an offense to intentionally or knowingly possess, manufacture, transport, repair or sell an item that was registered in the National Firearm Registration and Transfer Record maintained by the Bureau of Alcohol, Tobacco, Firearms and Explosives or an item that was classified as a curio or relic by the U.S. Department of Justice.

The bill would repeal the provision that made registration of prohibited weapons under the National Firearms Act a defense to prosecution under the prohibited weapons offense.

This bill would take effect September 1, 2015.

SUBJECT: Annual suicide prevention education for certain school employees

COMMITTEE: Public Education — favorable, without amendment

VOTE: 8 ayes — Aycock, Bohac, Deshotel, Dutton, Farney, Galindo, González, K. King

0 nays

3 absent — Allen, Huberty, VanDeaver

WITNESSES: For — Calla Childers; Kevin Childers; Chris Owen; Janet Sutton; Kim Whitaker; (*Registered, but did not testify*: Brock Gregg, Association of Texas Professional Educators; Katharine Ligon, Center for Public Policy Priorities; Gyl Switzer, Mental Health America of Texas; Greg Hansch, National Alliance on Mental Illness Texas; Will Francis, National Association of Social Workers - Texas Chapter; Josette Saxton, Texans Care for Children; Jan Friese, Texas Counseling Association; Michelle Romero, Texas Medical Association; Clayton Travis, Texas Pediatric Society; Merily Keller, Texas Suicide Prevention Council; Casey Smith, United Ways of Texas; and five individuals)

Against — None

On — (*Registered, but did not testify*: Angela Hobbs-Lopez, Department of State Health Services)

BACKGROUND: Health and Safety Code, sec. 161.325 requires the Department of State Health Services, the Texas Education Agency, and regional education service centers to provide and annually update a list of recommended best practice-based programs in areas that include early mental health intervention, mental health promotion and positive youth development, substance abuse prevention, and suicide prevention. School districts may choose a program from the list generated by the department or from outside resources and provide training to appropriate school personnel.

Under sec. 161.325(c-2), if a school district provides training, school

district employees are required to participate in this training at least one time, and the school district must maintain records with the name of each district employee who participated.

Suicide prevention programs train adults who are closest to the student to be aware of warning signs and to refer the student to appropriate medical personnel. Training for school employees can inform them of prevention resources and intervention protocols.

DIGEST:

HB 2186 would require employees of school districts that offered a suicide prevention training program to complete this training at least once annually.

School districts no longer would be required to keep records of employees who completed training. This bill would apply beginning with the 2015-2016 school year.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUBJECT: Raising the debt limit for certain fast-growth school districts

COMMITTEE: Public Education — committee substitute recommended

VOTE: 8 ayes — Aycock, Bohac, Deshotel, Farney, Galindo, González, K. King, VanDeaver

1 nay — Huberty

2 absent — Allen, Dutton

WITNESSES: For — Randy Reid, Fast Growth Schools Coalition; Drew Scheberle, Greater Austin Chamber of Commerce; Carter Scherff, Hays CISD; Keith Bryant, Lubbock-Cooper ISD, Fast Growth Schools Coalition; (*Registered, but did not testify*: Mike King, Bridge City ISD; Bill Hammond, Texas Association of Business; Barry Haenisch, Texas Association of Community Schools; Steven Garza and Daniel Gonzalez, Texas Association of Realtors; Casey McCreary and Doug Williams, Texas Association of School Administrators; Dominic Giarratani, Texas Association of School Boards; Mark Terry, Texas Elementary Principals and Supervisors Association; Colby Nichols, Texas Rural Education Association; Bob Popinski, Texas School Alliance; Ray Freeman, the Equity Center)

Against — Michael Dion; (*Registered, but did not testify*: Cobby Caputo)

On — (*Registered, but did not testify*: Lisa Dawn-Fisher, Texas Education Agency)

BACKGROUND: Education Code, sec. 45.0031(a) limits school districts from exceeding a rate of 50 cents per $100 property valuation for debt service on bonds issued for constructing and equipping school buildings, acquiring property, and purchasing new school buses.

DIGEST: CSHB 506 would allow districts to exceed the cap on debt service for school construction by 20 percent if the district:

- had an interest and sinking fund (I&S) tax rate of 45 cents or greater per $100 property valuation;
- was a high enrollment growth district in accordance with Texas Education Agency rules;
- had a current Financial Allocation Study for Texas (FAST) rating from the comptroller of at least three stars on a five-star scale or the equivalent on any subsequent system;
- had adopted a capital improvement plan required by the bill; and
- demonstrated to the attorney general that the proposed issuance would result in total interest costs to the district that were at least 5 percent less than if the district were to issue a capital appreciation bond or alternate debt instrument.

If a district used a projected future taxable property value to demonstrate to the attorney general its ability to comply with a higher debt limit under the bill, but had to exceed that limit to pay principal and interest, the attorney general could not approve a subsequent debt limit that exceeded the rate equal to 90 percent of the previously approved limit.

A district that wanted to exceed the I&S cap would be required to adopt a capital improvement plan that included an inventory of the district's facilities and a list of each proposed project for additional or renovated facilities. The proposed projects would be ranked in order of priority and accompanied by an explanation of the need for the facilities, timeline for completion, estimated expenses, assessment of district's capacity to fund the projects, and financing options. At a public meeting, the school board would adopt the plan not later than the first anniversary of the date the board adopted an I&S tax rate of 45 cents or greater per $100 property valuation.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS SAY:

CSHB 506 would update the school bond debt limit to allow fast-growing districts to provide the facilities needed to serve new students. The current cap of 50 cents per $100 property valuation was set by the Legislature in 1991 and fails to account for the 85,000 new students that enter public

schools every year.

The bill would apply only to 60 districts designated as fast-growth districts by the education commissioner that have I&S rates at or above 45 cents per $100 property valuation. Districts that wanted to exceed the cap would have to be transparent and demonstrate that the proposed bond issuance would result in savings of at least 5 percent over alternate debt instruments, such as capital appreciation bonds. Districts also would have to adopt a detailed capital improvement plan explaining the need for the facilities and financing options.

School district taxpayers have the final say in determining whether a bond proposal should move forward. The bill would allow decisions about school facilities to be made by local voters without the limit of a cap set 24 years ago.

Without the bill, fast-growth districts could experience crowded classrooms and more portable buildings. They also could turn to less desirable funding mechanisms that could end up costing more in the long run.

OPPONENTS SAY:

CSHB 506 could result in added debt and higher taxes for already burdened property owners. Texans already owe almost $75 billion in outstanding school bond debt, and that amount does not include interest. The comptroller's office reported in 2011 that Texas had the second-highest debt in the nation, and public school bonds account for the largest category of debt.

Some districts may have used alternate debt instruments such as capital appreciation bonds as a way to get around the 50-cent debt cap or to avoid raising the school tax rate for maintenance and operations. Capital appreciation bonds defer principal and interest payments until the bond reaches maturity in 30 to 40 years. Some districts are using these types of bonds, which do not require voter approval, to defer current costs of education to future generations of taxpayers. Districts that have used capital appreciation bonds, including some that were not even at the 50-cent cap, should not now be rewarded by being allowed to increase debt through traditional bonds.

SUBJECT: Training on human trafficking for personnel of abortion facilities

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 7 ayes — Cook, Craddick, Farney, Geren, Harless, Kuempel, Smithee

3 nays — Giddings, Farrar, Oliveira

2 absent — Huberty, Sylvester Turner

WITNESSES: For — Kathryn Freeman, Christian Life Commission; Terry Williams, Texas Alliance for Life; (*Registered, but did not testify*: Ann Hettinger, Concerned Women for America of Texas; Tanya Woynarowsky, Redeemed Ministries; Ruth Allwein, Erin Groff, and Joe Pojman, Texas Alliance for Life; Jennifer Allmon, The Texas Catholic Conference of Bishops; Frias)

Against — Frances Northcutt, Texas State NOW

On — Susan Hays, NARAL ProChoice Texas; Amy Harper, Department of State Health Services Division for Regulatory Services; Maya Pilgrim

BACKGROUND: Health and Safety Code, ch. 245 defines an "abortion facility" to mean a place where abortions are performed.

DIGEST: CSHB 416 would require certain personnel at facilities that provide abortion services to complete an educational and training program about human trafficking.

The executive commissioner of the Health and Human Services Commission (HHSC) by rule would require a person who was employed by, volunteered at, or performed services with an abortion facility or ambulatory surgical center that performed more than 50 abortions in any 12-month period and had direct contact with patients of the facility to undergo the training. A person who was hired, began volunteering, or began providing services under contract before September 1, 2015, would not be required to comply with the training before September 1, 2016.

The bill would require the HHSC executive commissioner to develop by rule a one-time basic education and training program on human trafficking that:

- consisted of at least four hours of training; and
- included a review of offenses for human trafficking and compelled prostitution in Penal Code.

The Department of State Health Services would provide the training program developed by the HHSC executive commissioner or would approve training programs that met the requirements of the executive commissioner's developed training program. A list of these programs would be provided on the department's website. The HHSC executive commissioner would adopt the rules to develop the training program by December 1, 2015.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS SAY:

CSHB 416 would require abortion facility staff and certain volunteers who were uniquely situated to identify and assist victims of sex trafficking to be provided with training on how best to do so. According to the Texas Commission on Law Enforcement officer standards, one of the ways human traffickers control victims of human trafficking is by denial of contraceptives and forced abortion. Educating abortion facility staff and volunteers on human trafficking would help these individuals to identify and assist a person who was victimized by human trafficking if she came to an abortion facility.

The bill would minimize any burden to volunteers by requiring training on human trafficking only for volunteers who came into contact with patients. Volunteers who come into contact with patients at an abortion facility also may come into contact with human trafficking victims. The training required under the bill would give these volunteers the information they need to identify and assist these individuals or to notify a staff member.

Texas law already requires all officers licensed by the Texas Commission on Law Enforcement to undergo training and education on human trafficking. The bill would ensure that staff and volunteers of abortion facilities received consistent training on human trafficking to identify and assist this specific population. Although some abortion facilities already require their staff to undergo similar training, the bill would ensure the training material was consistent. Extending training on human trafficking to other entities would be outside the scope of this bill.

OPPONENTS SAY:

CSHB 416 would overly burden volunteers by requiring all volunteers who came into contact with patients to receive training on human trafficking. This could discourage them from volunteering to help at abortion facilities. While volunteers do come into contact with patients at abortion facilities, many are present at abortion facilities in a capacity such as voter registration that would not allow them access to a person's personal history or to identify human trafficking victims.

The bill should require only staff of abortion facilities, not volunteers, to complete the human trafficking training requirements. The four hours of training required for volunteers under the bill would be burdensome and the bill would not require that volunteers be compensated for their time spent in the training.

The bill also would overly burden abortion facility staff, who may already have undergone training on human trafficking, by adding additional regulations.

OTHER OPPONENTS SAY:

Requiring training on human trafficking for emergency medical providers in addition to training for abortion facility staff and volunteers would allow more victims of human trafficking to be reached because the Texas Commission on Law Enforcement officer standards says that one of the main elements used to control victims is physical violence.

SUBJECT: Requiring law enforcement agency reports on officer-involved shootings

COMMITTEE: Emerging Issues In Texas Law Enforcement, Select — committee substitute recommended

VOTE: 4 ayes — Fletcher, Flynn, Koop, Márquez

1 nay — J. White

2 absent — Dukes, Martinez

WITNESSES: For — Kevin Buckler; Howard Williams; (*Registered, but did not testify*: Frank Dixon, Austin Police Department; Kelley Shannon, Freedom of Information Foundation of Texas; Douglas Smith, Texas Criminal Justice Coalition; Yannis Banks, Texas NAACP; Donald Baker, Texas Police Chief Association; Donnis Baggett, Texas Press Association)

Against — Chris Jones, Combined Law Enforcement Associations of Texas (CLEAT); Mark Clark, Houston Police Officers Union, Dallas Police Association

On — Adrienne McFarland, Office of Attorney General; (*Registered, but did not testify*: John Helenberg, Texas Commission on Law Enforcement; Jason Taylor, Texas Department of Public Safety)

DIGEST: CSHB 1036 would require law enforcement agencies to report to the attorney general on incidents of officer-involved injuries or deaths and on incidents in which persons who were not peace officers discharged a firearm and caused injury or death to a peace officer performing official duties. The bill would require a separate report on each type of incident.

Both reports would have to be made within five days after such an incident and would have to be on written or electronic forms created by the attorney general. The attorney general would have to submit annually a report on all such incidents to the governor and the legislative committees with primary jurisdiction over criminal justice matters. The reports would have to include specific information, including the total

number of incidents, a summary of the reports submitted, and a copy of each report.

Law enforcement agencies would have to report incidents during which a peace officer discharged a firearm causing injury or death to another. These reports would have to include:

- the date and location of the incident;
- the age, gender, and race or ethnicity of each peace officer involved in the incident;
- if known, the age, gender, and race or ethnicity of each injured or deceased person involved; and
- whether the person was injured or died as a result of the incident.

The attorney general would have to post the reports on the office's website within five days after receiving them.

Reports on incidents in which a person who was not a peace officer discharged a firearm and caused injury or death to an officer performing an official duty would have to include:

- the date and location of the incident;
- the age, gender, and race or ethnicity of each injured or deceased peace officer involved in the incident;
- if known, the age, gender, and race or ethnicity of each person who discharged a firearm and caused injury or death to a peace officer during the incident;
- whether the officer or anyone else was injured or died as a result of the incident; and
- whether each injured or deceased person used, exhibited, or was carrying a deadly weapon during the incident.

The attorney general would have to create required forms by October 1, 2015.

This bill would take effect September 1, 2015.

SUPPORTERS SAY:

CSHB 1036 would help the state gather an accurate, full picture of statewide peace officer-involved shootings, including incidents when police officers were harmed or killed by another person who discharged a weapon. Currently, there is no compilation of statewide data on these incidents involving deadly force. While incidents may be reported to the state in individual crime reports, the data are reported only in the aggregate and not in the way required by the bill.

CSHB 1036 seeks to have uniform data on individual incidents collected by one statewide entity to help policymakers and researchers. These data could be used to craft solutions to problems and develop public policies. They also could help the state and others develop a full picture of such incidents, which would increase transparency and could further public trust between officers and communities.

The bill would collect only basic, limited statistical information to help policymakers and researchers examine these issues. The narrow scope of the information should allow personnel who were not officers to quickly file the reports, so compliance should not depend on the availability of officers. None of the information reported would identify an officer or individual, nor would it have an impact on investigations. The bill would not create consequences for such incidents.

CSHB 1036 would set a reasonable, five-day deadline for reporting information. The reporting requirement would not be burdensome on law enforcement agencies because the required information should be easily accessible and could be reported electronically.

OPPONENTS SAY:

CSHB 1036 would place a burden on local agencies to report information that already was being reported through the crime reports sent to the Department of Public Safety. Duplicating these efforts could be burdensome for agencies, many of which already are stretched thin. The timelines imposed by the bill could be difficult to meet, especially if an officer was injured or an investigation was ongoing.

The data requested in CSHB 1036 would not necessarily give a full, fair picture of officer-involved shootings. Additional information, such as whether the officer was responding to a call, serving a warrant, or on

patrol, could better portray these incidents and be more useful in crafting policy responses.

SUBJECT: Allowing post-conviction DNA testing on certain evidence

COMMITTEE: Criminal Jurisprudence — committee substitute recommended

VOTE: 7 ayes — Herrero, Moody, Canales, Hunter, Leach, Shaheen, Simpson

0 nays

WITNESSES: For — Nick Vilbas, Innocence Project of Texas; Patricia Cummings, Texas Criminal Defense Lawyers Association; Amanda Marzullo, Texas Defender Service; James Rytting; (*Registered, but did not testify*: Matt Simpson, ACLU of Texas; Sarah Pahl, Texas Criminal Justice Coalition; Yannis Banks, Texas NAACP; Jeffrey Knoll; Heather Ross; Mark Walters)

Against — (*Registered, but did not testify*: Tiana Sanford, Montgomery County District Attorney's Office)

On — (*Registered, but did not testify*: Skylor Hearn, Department of Public Safety)

BACKGROUND: Code of Criminal Procedure, Art. 64.01(a-1) allows convicted persons to submit to the court a motion for forensic DNA testing of evidence containing biological material. Under Art. 64.03(a) courts can order testing only under certain conditions, including if the evidence still exists and is in a condition that makes testing possible.

DIGEST: CSHB 2438 would revise the conditions under which person could submit a request to a court for forensic DNA testing of evidence. Instead of evidence having to contain biological material, the evidence would be required to have a reasonable likelihood of containing biological material. To the current conditions that must be met for testing to be ordered, the bill would stipulate that there also would have to be a reasonable likelihood that the evidence contained biological material suitable for DNA testing.

The bill would take effect September 1, 2015, and would apply to motions

for testing filed on or after that date.

SUPPORTERS SAY:

CSHB 2438 would help clarify what courts should consider when ruling on requests for post-conviction DNA testing. Such testing can both free the innocent and confirm a guilty verdict, and allowing it in appropriate cases would make the criminal justice system more reliable and accurate.

While current law allows requests for testing on certain evidence that contains biological material, a Court of Criminal Appeals ruling strictly interpreted the language to mean that defendants must prove that biological material exists. This standard goes against the intention of the law and could exclude testing in cases in which it should be done. The standard can be extremely difficult to meet and in some cases could be done only by performing the testing itself.

The bill would address this by adding a reasonable standard for post-conviction DNA testing to other requirements in current law. Judges would have to determine there was a "reasonable likelihood" that biological evidence existed. This would not open the floodgates of testing but instead would restore the statute to its intended purpose of permitting testing when appropriate. Current requirements for requesting and authorizing testing would continue to be applied and would act as proper filters on requests. The number of tests ordered before the court ruling was reasonable, and that would continue under the bill. Debate over other parts of the current law should not stop the Legislature from making the clarification in this bill.

OPPONENTS SAY:

Under CSHB 2438, DNA testing could be requested on numerous items or samples by claiming a reasonable likelihood that evidence contained biological material. This could increase the burden on courts and labs, drain resources, and lead to a large expansion in testing, some of which might be inappropriate.

OTHER OPPONENTS SAY:

Post-conviction DNA testing should not be broadened when there is debate over the application of the statute, with experts disagreeing over the extent to which prosecutors are bound to agree to the exculpatory nature of testing.

SUBJECT: Repealing the tax on certain alcoholic beverages and controlled substances

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — D. Bonnen, Bohac, Button, Darby, Martinez Fischer, Murphy, Parker, Springer, C.Turner, Wray

1 nay — Y. Davis

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Thomas Graham, Texas Alcoholic Beverage Commission; Karey Barton and Tom Currah, Texas Comptroller of Public Accounts)

DIGEST: HB 1905 would eliminate the five-cent fee on servings of alcoholic beverages sold on airplanes or passenger trains. Alcoholic beverages sold on planes and trains would remain exempt from sales taxes.

This bill also would repeal the tax on controlled substances and certain clauses that enable enforcement of the tax.

The bill would take effect September 1, 2015, and would not affect tax liability accruing before that date.

SUPPORTERS SAY: HB 1905 would actually increase state revenues because the fees on alcoholic beverages served on airplanes and trains imposes a large opportunity cost on the comptroller's resources. Resources currently spent administering and enforcing these fees would generate more revenue if they were redeployed to audit or enforcement activities for other taxes.

The tax on controlled substances is no longer collected, after a 1996 court ruling found that collecting the tax and charging the defendant with a criminal offense is double jeopardy. Because it is possible that a defendant may escape prosecution on these grounds if the tax is paid in full before

the criminal charge is filed, the state no longer attempts to collect on this tax. The tax therefore does not serve its purpose.

Additionally, these fees impose various administrative costs on consumers and businesses, reducing market efficiency. All businesses pay taxes of some sort, and the tax system should strive to make its collections as efficient as possible. Consumers, small businesses, and the state would be better off eliminating these unnecessary fees, which generate too little revenue to offset the administrative opportunity cost.

OPPONENTS SAY:

HB 1905's elimination of these fees would have a direct negative impact on revenue, and the state should not cut revenue when it faces needs in critical areas, such as education and transportation.

This bill would eliminate fees on the grounds that they do not bring in sufficient revenue to offset the time spent collecting them. However, a fee that is comparatively less cost effective to collect should not necessarily be eliminated. Businesses should all pay their fair share because they benefit from the same systems of legal protections established and enforced by the state government.

NOTES:

The Legislative Budget Board estimates the bill would have a negative net impact of $507,000 to general revenue through fiscal 2016-17.

SUBJECT: A pilot project to provide rural emergency telemedicine medical services

COMMITTEE: Public Health — committee substitute recommended

VOTE: 11 ayes — Crownover, Naishtat, Blanco, Coleman, Collier, S. Davis, Guerra, R. Miller, Sheffield, Zedler, Zerwas

0 nays

WITNESSES: For — James Beauchamp, MOTRAN Alliance and Permian Basin Coalition; Amanda Martin, Texas Association of Business; (*Registered, but did not testify*: Chris Frandsen, League of Women Voters of Texas; Greg Hansch, National Alliance on Mental Illness Texas; Mark Gipson, Pioneer Natural Resources; Lee Johnson, Texas Council of Community Centers; Nora Belcher, Texas e-Health Alliance; Marissa Patton, Texas Farm Bureau; Dan Finch, Texas Medical Association; John Davidson, Texas Public Policy Foundation)

Against — None

On — Dinah Welsh, Texas EMS, Trauma and Acute Care Foundation; Billy Philips, Texas Tech University Health Sciences Center; (*Registered, but did not testify*: Kelli Merriweather, Commission on State Emergency Communications)

BACKGROUND: Certain parts of the state are located far from a Level I trauma facility and have limited access to high-level trauma services. Some have called for the creation of a telemedicine network to provide such services by linking a trauma facility to local health care providers in rural areas.

DIGEST: CSHB 2004 would require the Commission on State Emergency Communications to establish a "next generation 9-1-1 telemedicine medical services" pilot project. The project would provide emergency medical services instruction and emergency pre-hospital care instruction through a telemedicine medical service provided by regional trauma resource centers to health care providers in rural area trauma facilities and emergency medical services providers in rural areas. Rural areas would

include counties with populations of 50,000 or less or a large, isolated, and sparsely populated area of a county with a population of more than 50,000.

A "telemedicine medical service" provided under the pilot project would mean a health care service that was initiated by a physician or provided by a health professional acting under physician delegation and supervision that required the use of advanced telecommunications technology and which was provided for purposes of:

- patient assessment by a health professional;
- diagnosis or consultation by a physician;
- treatment; or
- transfer of medical data.

The pilot project would be established with the assistance of the area health education center at the Texas Tech University Health Sciences Center (TTUHSC), and the commission would provide technical assistance to the center in implementing the pilot. The bill would set policies for selecting trauma facilities and emergency medical services providers to participate in the pilot project. A trauma facility that TTUHSC selected to participate in the pilot project would be known as a "regional trauma resource center."

The bill would require TTUHSC, with the assistance of the commission, to design criteria and protocols for the telemedicine medical service and related instruction and to provide the oversight necessary to conduct the pilot project. The commission and TTUHSC also would collect the data necessary to evaluate the project, and would define criteria to determine when telemedicine medical services should be transferred to an emergency medical resource center for intervention. The bill would allow TTUHSC to make available appropriate resources for individuals who did not speak English.

The bill would specify how the pilot project could be funded. The bill would allow money collected under a 9-1-1 equalization surcharge imposed by the Commission on State Emergency Communications to be appropriated to the commission to fund the pilot project. TTUHSC also

could seek grants to fund the pilot project. A political subdivision with a trauma facility that participated in the pilot project could pay part of the costs of the pilot project. If a sufficient number of political subdivisions in a region that could be served by the pilot project agreed to pay TTUHSC an amount that together with other funding was sufficient to fund the pilot project for the region, TTUHSC would:

- contract with the political subdivisions for each to pay an appropriate share of the cost; and
- implement the project for the region when the funding agreed to in the contracts and any other funding received was sufficient to fund the project for the region.

The bill would require TTUHSC, in cooperation with the commission, to report its findings to the governor and the presiding officers of the House and Senate by December 31, 2020. The bill would allow TTUHSC to appoint a project work group to assist the center in developing, implementing, and evaluating the project and preparing a report on the findings. A member of the work group would not be entitled to compensation or reimbursement for serving on the work group. The work group would not be subject to Government Code, ch. 2110 governing state agency advisory committees.

The operations of TTUHSC and a regional trauma resource center would be considered to be the provision of 9-1-1 services for purposes of Health and Safety Code, sec. 771.053, related to limitation of liability for 9-1-1 service providers. Employees and volunteers at the regional trauma resource center would be protected from liability under Health and Safety Code, sec. 771.053 for any claim, damage, or loss arising from the provision of 9-1-1 service.

The bill's provisions would expire January 1, 2021. The bill would take effect September 1, 2015.

NOTES:

According to the Legislative Budget Board's fiscal note, the bill would have a negative fiscal impact of $618,379 in fiscal year 2016 and $638,330 in fiscal year 2017, with recurring costs of $638,330 per year through fiscal year 2020 to account for the creation of three full-time

equivalent state employees to implement the pilot project.